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# NASA Procedural Requirements

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Request Notification of Change (NASA Only)

**Subject: NASA Personal Property Disposal Procedural Requirements****Responsible Office: Logistics Management Division**[| TOC](#) | [Preface](#) | [Chapter1](#) | [Chapter2](#) | [Chapter3](#) | [Chapter4](#) | [Chapter5](#) | [Chapter6](#) | [Chapter7](#) |  
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## Chapter 6. Exchange/Sale Property

### 6.1 Background

6.1.1 The use of the exchange/sale authority is strongly encouraged by the Agency in the replacement of functionally obsolete property. This chapter sets forth the requirements for the identification and processing of NASA-owned property declared as exchange/sale property for replacement purposes.

6.1.2 NASA strives to the maximum extent feasible and economical to exchange or sell property for which a replacement is necessary and to apply the exchange allowance proceeds in whole or as partial payment for the replacement property acquired.

6.1.2.1 NASA programs and activities shall contact the Center SEMO for technical assistance and property accountability, to determine if the property meets the guidelines for exchange/sale, and to ensure that exchange/sales are done in accordance with Federal laws and regulations and NASA policies and procedures.

6.1.2.2 The exchange/sale process allows exchanges or sales of non-excess and non-surplus property and applies the exchange allowance or proceeds of sale in whole or in part payment for the acquisition of similar property.

a. In context to this chapter and process, properties are considered similar when the acquired item(s) and replaced item(s): are identical; are within a single FSC, FSG, or property (includes any and all forms of property within a single FSG); are parts or containers for similar end items; or are designed or constructed for the same purpose (this includes all forms of property regardless of the FSG to which they are assigned).

b. To acquire property is to procure, purchase, or obtain it in any manner, including transfer and manufacture or production, at Government-owned or operated plants and facilities. Obtain in any manner includes lease (sometimes known as rental) of property.

c. Property replacement (in context of this chapter) is the process of acquiring property to be used in place of property that is still needed but no longer adequately performs the tasks for which it is used or does not meet the Agency's need as well as the property to be acquired.

6.1.2.3 Although exchange/sale transactions are addressed together in this chapter, the NASA PP&E System delineates that exchanges are to be tracked as any other acquisition through the Center equipment management processes and sales are to be tracked as any other sales through the disposal system processes with the proceeds from the sale applied to offset the cost of the acquisition of replacement property.

6.1.2.4 Exchange of property shall be processed through the NASA Center Equipment Management Officer in accordance with 41 C.F.R. 102-39, Replacement of Property Pursuant to the Exchange/Sale Authority. Exchange is defined as follows: to replace a non-excess property item by trade or trade-in with the supplier of the replacement item when the value of the replaced item is used to reduce or offset the cost of the acquired item. The supplier may be a Government agency, commercial or private organization, or an individual.

6.1.2.5 Sales of property shall be processed by the Center PDO in accordance with 41 C.F.R. 102-39, Replacement of Property Pursuant to the Exchange/Sale Authority.

## **6.2 Exchange (Trade)**

6.2.1 An exchange or trade-in generally occurs when a NASA organization desires to replace or upgrade a property item. During the new procurement process, a vendor may offer NASA an exchange allowance for the old, used NASA property that is a direct credit to the vendor's new property price. Since this is an acquisition of property, no exchanges of property can occur without a NASA CO facilitating a legal instrument with the potential supplier.

6.2.2 The NASA Equipment Management Officer shall ensure that both the old and new properties and proposed exchanges are eligible for exchange/sale in accordance with 41 C.F.R. § 102-39.35, 40, 45 and are not on the restricted/prohibition list in 41 C.F.R. 102-39.60. The NASA Equipment Management Officer will work closely with the NASA CO in the exchange of property.

6.2.2.1 Prior to the exchange, the Equipment Management Officer shall confer with the Center PDO to determine in each case whether exchange or sale will obtain the greater return for the Government.

6.2.2.2 All administrative and overhead costs shall be considered when estimating the return by either method.

6.2.3 The vendor is notified of the amount determined for the property to be exchanged through NASA CO. An exchange generally occurs when a vendor delivers a replacement item and removes the old, used item being replaced (see 41 C.F.R. 102-39.70).

6.2.4 The NASA Equipment Management Officer shall ensure that the EMR for the replaced property is processed in accordance with NPR 4200.1.

## **6.3 Conditions for Exchange/Sale of Property**

6.3.1 Exchange/sale of property shall meet the following conditions:

- a. Exchange/sale authority as specifically authorized in 41 C.F.R. 102-39.65 is applied.
- b. The property exchanged or sold is similar to the acquired property or mission for which the original property was procured.
- c. The property exchanged or sold is not excess or surplus, and there is a continuing need for similar property to continue a similar mission.
- d. The property exchanged or sold was not acquired for the principal purpose of exchange or sale.

6.3.2 When replacing property, the exchange allowance or sales proceeds from the disposition of the property may only be used to offset the cost of the replacement property, not services.

6.3.3 Except for transactions involving books and periodicals in libraries, the basic facts associated with each exchange/sale transaction shall be documented (see 41 C.F.R. 102-39.65(e)). Unneeded books and periodicals in Federal agency libraries may be exchanged for other books and periodicals without monetary appraisal or detailed listing or reporting.

6.3.4 When acquiring items for historical preservation or display at Federal museums, historic items property accounts may be exchanged without regard to the FSG or the requirement to replace items on a one-for-one basis. The exchange transaction shall be documented and certified by the NASA Headquarters Director LD to be in the best interest of the Government and to meet all other provisions of the exchange/sale Federal regulations.

6.3.5 The exchange/sale authority shall be applied by the SEMO or the Center PDO to reduce the cost of replacement property when the property is wearing out or obsolete and needs to be replaced.

6.3.6 For the exchange/sale of aircraft parts and hazardous materials, NASA Centers shall meet the requirements in Management of Aircraft, 41 C.F.R. 102-33 and Utilization and Disposal of Hazardous Materials and Certain Categories of Property, 41 C.F.R. 101-42.

6.3.7 The exchange/sale authority may be applied by the SEMO or the Center PDO in the acquisition of property even if the acquisition is under a services contract, as long as the property acquired under the services contract is similar to the property exchanged or sold (e.g., for a Service Life Extension Program (SLEP), exchange allowances or sales proceeds would be available for the replacement of similar items but not services).

6.3.7.1 SLEP is the modification of property to extend the life of the item beyond that which was previously planned. SLEP extends capital asset life by retrofit, major modification, remanufacturing, betterment, or other enhancement.

## **6.4 Sale of Replacement Property**

6.4.1 The sales portion of the exchange/sale process generally occurs when a NASA organization desires to replace or upgrade an item of property and no vendor offers an exchange allowance or the exchange allowance is significantly less than anticipated sales proceeds. A cost-effective method is for the Center PDO to correlate new procurements of property to property being dispositioned and then to designate the disposition property for exchange/sale processing via sales.

6.4.2 The Center PDO shall ensure that both the old property to be sold and new property to be procured is eligible for exchange/sale in accordance with 41 C.F.R. 102-39. The Center PDO will ensure that the old property is entered in DSPL to undergo NASA Agency screening and Federal screening (via DSPL link with GSAXcess<sup>®</sup>) prior to any sales action.

6.4.3 Exchange/sale property may be sold to Property Act eligible donees through SASP by negotiation at fixed prices prior to public sale by the GSA Sales CO in accordance with 41 C.F.R. 102 § 38.125.

6.4.3.1 Once property is made available for exchange/sale, it is no longer available for donation. Donees are not eligible for exchange/sale property transfer (41 C.F.R. 102 § 37.440).

6.4.3.2 "For-profit" entities are not eligible for donations; however, they may participate in GSA public sales.

## **6.5 Transfers of Exchange/Sale Property**

6.5.1 Exchange/sale property may be transferred to Federal agencies with reimbursement as agreed to by the Center PDO and the acquiring Government organization.

6.5.2 The Center PDO will negotiate the transfer reimbursement, which shall not exceed the estimated FMV or an amount greater than the highest estimate of the gross proceeds if the property were to be sold on a competitive bid basis or the dollar value offered on a trade-in basis.

6.5.3 The gaining Federal agency will transfer funds to the applicable NASA Center Finance Office upon transfer of the property using the appropriate NASA policy (see NPR 9010.1, ).

6.5.4 Transfer documentation for all property categorized as EAR and/or ITAR shall include documentation signed by the recipient disclosing that they understand and agree to comply with the control requirements (see Appendix F.2).

## **6.6 Property Restrictions and Limitations**

6.6.1 Federal restrictions and limitations on exchange/sale property are contained in 41 C.F.R. 102-39.60, which affects numerous categories of property not eligible for processing as exchange/sale property unless a deviation is requested by the Center and approved by NASA Headquarters Director LD and GSA, Office of Government-wide Policy. The categories of property that are prohibited by NASA from exchange/sale include:

- a. FSG 10, Weapons and Firearms. Firearms shall be disposed of in accordance with 41 C.F.R. 102-36.375.
- b. FSG 11, Nuclear Ordinance.
- c. FSG 42, Firefighting, Rescue, and Safety Equipment.
- d. FSG 44, Nuclear Reactors (FSC 4470 only).
- e. FSG 51, Hand Tools
- f. FSG 54, Prefabricated Structure and Scaffolding (FSC 5410 Prefabricated and Portable Building, FSG 5411 Rigid Wall Shelters, and FSC 5419 Collective Modular Support Systems only).
- g. FSG 68, Chemicals and Chemical Products, Except Medicinal Chemicals
- h. FSG 84, Clothing, Individual Equipment, and Insignia.
- i. Materials in the National Defense Stockpile (Strategic and Critical Materials Stock Piling Act, 50 U.S.C. §§ 98-98h) or the Defense Production Act Inventory (Other Presidential Action Authorized, 50 U.S.C. § 2093).
- j. Nuclear Regulatory Commission-controlled Materials unless the requirements of 41 C.F.R. 101-42.1102-4 of this title are met.
- k. Controlled Substances, unless the requirements of 41 C.F.R. 101-42.1102-3 of this title are met.
- l. Property With a Condition Code of Scrap, as defined at 41 C.F.R. 102-36.40, except:
  - (1) Property that had utility and value at the time when a determination was made to use the exchange/sale authority;
  - (2) Property that was otherwise eligible for exchange/sale but was coded as scrap due to damage (e.g., accident or

natural disaster); or

(3) Scrap gold for fine gold.

m. Property that was originally acquired as excess or forfeited property or from another source other than new procurement, unless such property has been in official use by the acquiring Agency for at least one year.

*Note: Forfeited property that was in official use for less than one year may be exchanged or sold if the NASA Headquarters Director LD determines that:*

*(1) A continuing valid requirement exists;*

*(2) The specific item in use no longer meets that requirement; and*

*(3) Exchange or sale meets all other requirements of 41 C.F.R. 102-39.60(f).*

n. Property that is dangerous to public health or safety without first rendering such property innocuous or providing for adequate safeguards as part of the exchange/sale.

o. Combat material without demilitarizing it or obtaining a DEMIL waiver or other necessary clearances from the DoD Demilitarization Office.

p. Flight Safety Critical Aircraft Parts (FSCAP) and Critical Safety Items (CSI) unless the provisions in 41 C.F.R. 102-33.370 are met.

q. The acquisition of unauthorized replacement property.

r. The acquisition of replacement property that violates any:

(1) Restriction on procurement of a commodity or commodities;

(2) Replacement policy or standard prescribed by the President, the Congress, or the Administrator of General Services; or

(3) Contractual obligation.

s. Vessels subject to Surplus Vessels, 40 U.S.C. § 548. The Federal Maritime Administration (FMA), Department of Transportation, is responsible for disposing of surplus vessels determined to be merchant vessels or capable of conversion to merchant use and weighing 1,500 gross tons or more.

t. Aircraft, unless there is full compliance with all exchange/sale provisions in 41 C.F.R. 102-33. The exchange/sale of aircraft and parts require approval from NASA Headquarters Aircraft Division and the NASA Director LD.

## 6.7 Proceeds From Sale

6.7.1 The acquisition of new property and exchange or sale of old property can occur over a period of time and at different physical locations. Center PDOs should coordinate exchange/sale transactions to ensure that the Agency receives maximum benefit without the need to reassign property among NASA organizations to apply the exchange allowance or sales proceeds from the property account of one NASA organizational unit to the cost of a similar item acquired by another NASA organizational unit (including another Center).

6.7.2 All exchange allowances or proceeds of sale under Replacement of Property Pursuant to the Exchange/Sale Authority, 41 C.F.R. 102-39, shall be applied during the fiscal year in which the property was sold and for one fiscal year thereafter for the purchase of replacement property.

6.7.2.1 Any proceeds of sale not applied to replacement purchases during this time shall be deposited in the United States Treasury as miscellaneous receipts.

## 6.8 Deviations to Exchange/Sale

6.8.1 Deviations from Federal regulations and/or limitations on property to be processed as exchange/sale property may be granted only by the GSA Office of Government-wide Policy.

6.8.2 If a deviation can save the Federal Government great expenditures, the Center PDO or Equipment Management Officer shall develop written justification and submit it for consideration to the NASA Center Logistics Organization and forward it for consideration and approval to Director LD, NASA Headquarters (and if property is an aircraft, to NASA Headquarters Aircraft Division). NASA Headquarters LD will coordinate the necessary approval from GSA.

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